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90% rise in consumption of smuggled cigarettes in India: Report

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NEW DELHI: Consumption of smuggled cigarettes in India has increased by over 90 per cent in past 10 years, a latest report by industry body FICCI said today.

Over 56 per cent smokers prefer attractive packaging of foreign smuggled brands which does not adhere to Indian regulations like pictorial warning on 85 per cent space of the cigarette packet, it said.

Smuggled cigarettes' consumption has increased by over 90 per cent from 12.5 billion to 23.9 billion sticks in last 10 years, the report said, adding that 74 per cent smokers are willing to switch to cheaply-priced smuggled or illegal cigarettes due to higher taxes on legal cigarettes.

Operation of illicit markets such as smuggling, which has close links to terror groups and criminal networks, impacts industries, government, economies and the health and safety of the consumers, it said.

The findings are part of the report on 'Need for Policy Reforms to Combat Illicit Markers - Case Study on Tobacco Industry' issued by FICCI's Committee Against Smuggling and Counterfeiting Activities Destroying the Economy (CASCADE).

"Border guards have to play an important role in combating cross-border illegal trading activities," said Didar Singh, Secretary General FICCI.

Deep Chand, Advisor FICCI CASCADE and former Special Commissioner of Delhi Police, said, "India is a victim of large scale smuggling as illicit trade has entangled not only the legal industry and governments, but also the consumers who are exposed to grave risks to life and security."

The report mentions trade of illicit cigarettes, which constitute a significant component of the tobacco industry and is leading to the loss of revenue to government, loss of business to the legitimate industry, livelihood opportunities, adversely impacting farmers, besides being a threat to national security.